

BASIC HEALTH PLAN STUDY: PART 2

SCOPE AND OBJECTIVES

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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM

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MANDATE

The 2005-07 Operating Budget directs the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of the Health Care Authority's (HCA) Basic Health Plan (BHP). The BHP provides health insurance coverage to low-income residents of Washington State.

This JLARC study will be **Part 2** of a two-part review of the BHP. This second part of the study, which is to be completed by July 2006, will examine the characteristics of BHP enrollees and their use of health care services. **Part 1** of the BHP review examined the extent to which the BHP's policies and procedures promote or discourage the provision of appropriate, high-quality, cost-effective care for enrollees.

BACKGROUND

In 1987, the Legislature established the Basic Health Plan with the intent of providing, or making more readily available, basic health care services for low-income Washington residents. To qualify for the BHP, enrollees must (1) not be eligible for Medicare and (2) have a gross family income at or below 200 percent of the federal poverty level.

The Basic Health Plan was originally created as an independent state agency with its own administrator and staff. In 1993, the BHP was merged with the Health Care Authority. Currently, the BHP provides state-subsidized health care coverage to approximately **102,400 Washington residents** each month. For the 2005-07 Biennium, the Legislature has appropriated approximately **\$500 million** toward health plan benefits and \$16 million for program administrative costs.

As directed in statute—and within budget constraints—BHP benefits are determined by the HCA Administrator. The HCA contracts with managed health care plans to provide BHP services to enrollees. The HCA pays negotiated premiums directly to the health plans participating in the program, with BHP enrollees paying a portion of the premium. The amount that enrollees pay is determined on a sliding scale based on their age, family size, gross family income, county of residence, and the particular health plan that they choose.

STUDY SCOPE

In this study, JLARC will review the characteristics of the individuals currently enrolled in the Basic Health Plan and the health services they use.

STUDY OBJECTIVES

As directed by proviso language in the 2005-07 Operating Budget, JLARC's objectives are to answer the following questions:

1. How long are individuals enrolled in the BHP?
2. What circumstances led individuals to enroll in the BHP?
3. How did BHP enrollees obtain health care before enrolling in the BHP?
4. What kind of health care coverage do other members of enrollees' households have?
5. What are the service utilization patterns of BHP enrollees?
6. What is the employment status of BHP enrollees? By whom are BHP enrollees employed?

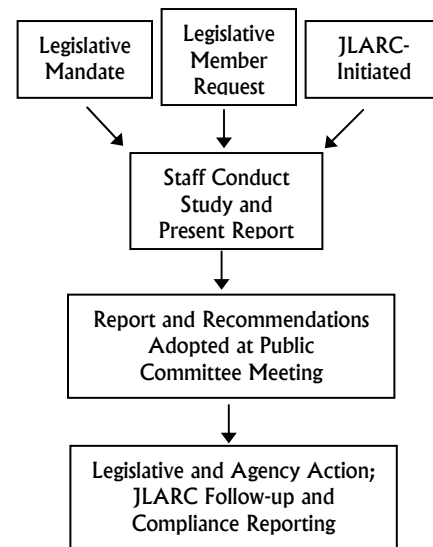
TIMEFRAME FOR THE STUDY

Staff will present its preliminary report to JLARC in June 2006, and the proposed final report in August 2006.

JLARC STAFF CONTACT FOR THE STUDY

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JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources: For example:
 - Is JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?